

SENATE BILL 3813
By Kilby

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 22, relative to credit cards.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 22, is amended by adding Sections 2 through 3 as a new part thereto.

SECTION 2. As used in this part, unless the context otherwise requires:

(1) "Account" means the account between a card issuer and one (1) or more cardholders reflecting the outstanding balance of card transactions;

(2) "Account agreement" means the contract between the card issuer and the cardholder(s) governing the parties' respective rights and obligations respecting the account and transactions effected thereunder;

(3) "Cardholder" means a natural person residing in Tennessee who has agreed with a card issuer to pay debts arising from card transactions, whether the card used in such transactions has been issued to the cardholder or to another person;

(4) "Card issuer" or "issuer" means a person doing business in Tennessee that issues a credit card or that person's agent or assignee with respect to the card;

(5) "Card transaction" or "transaction" means a cash advance, purchase, or other extension of credit effected or obtained by means of a credit card or account number;

(6) "Credit card" or "card" means any card, plate, coupon book or other single credit device that is issued primarily for consumer credit purposes and that may be used from time to time to obtain credit, including, but not limited to, a card that may be used to effect transactions governed by chapter 11 of this title;

(7) "Debit card" means any real or forged instrument, writing or other evidence known by any name issued with or without a fee by an issuer for the use of a depositor in obtaining money, goods, services or anything else of value, payment of which is made against funds previously deposited in an account with the issuer; and

(8) "Retail merchant" means a business with at least eighty percent (80%) of its credit card transactions conducted through a credit card terminal.

SECTION 3.

(a) No card issuer shall charge to any retail merchant more than seventy-five hundredths of one percent (0.75%) per transaction for all processing fees involving the use of a credit or debit card.

(b) Each violation of subsection (a) constitutes an unfair and deceptive act and shall be subject to the procedures and penalties prescribed by chapter 18, part 1 of this title.

SECTION 4. The provisions of this act shall not be construed to impair any existing contract between a credit card issuer and a retail merchant. The provisions of this act shall apply only to new contracts between a credit card issuer and a retail merchant and upon the expiration or termination of existing contracts.

SECTION 5. This act shall take effect July 1, 2006, the public welfare requiring it.